BRITISH COLUMBIA
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BC Stats

Infoline

Contact: bcstats.infoline@gov.bc.ca Issue: 10-41 October 15, 2010

- **BC exports slip 3.6% in August**
- **Manufacturing sales dip 0.1% in August**
- **Housing starts rise 8.3% in September**

The Economy

- **The value of exports originating in British Columbia slumped (-3.6%, *seasonally adjusted*) in August.** This marks a second consecutive monthly decline in BC exports following a nine-month run of increases. The chief reason for the slide in shipments abroad was a substantial (-11.8%) drop in exports of energy products.

  Exports to the US remained essentially unchanged (+0.1%) compared to the previous month. A slowdown in exports of forestry (-4.0%) and industrial & consumer products (-14.1%) was offset by a surge in the value of energy products (+15.1%) sent south of the border. Shipments to countries other than the US declined in August (-6.8%), largely due to a sharp contraction in the value of energy exports (-26.6%).

  Canadian exports rose (+3.1%) in August after retreating in the two previous months. US-bound exports increased slightly (+2.7%), led by higher demand for passenger cars. Exports to the European Union (+10.0%) improved sharply, while shipments to Japan (-1.5%) slowed. *Data Source: Statistics Canada & BC Stats*

- **Manufacturing sales in British Columbia edged lower (-0.1%, *seasonally adjusted*) in August.** Food (-0.8%), wood (-0.2%) and paper (-1.4%) producers, the province's top-three manufacturing industries in terms of total shipments, all showed weaker sales compared to the previous month. Mitigating these declines were stronger sales by manufacturers of transportation equipment (+7.8%) and machinery (+2.2%).

  Nationally, manufacturing sales were up 2.0% due to large contributions coming from manufacturers of motor vehicles (+13.9%) and petroleum & coal products (+2.4%). Factories in Saskatchewan (+6.1%), Ontario (+2.9%), Quebec (+2.3%), Nova Scotia (+2.1%) and Alberta (+2.0%) all reported higher sales during the month. *Data Source: Statistics Canada*

- **The number of new motor vehicles sold in British Columbia fell (-1.6%, *seasonally adjusted*) in August.** Sales for both passenger cars and trucks were down with overseas-built motor vehicles registering a sharper decline than those built in North America.

  Nationally, the number of new motor vehicle sales dropped 4.8% in August, with weaker sales reported in seven provinces. Ontario (-8.3%), along with PEI (-7.0%) and Newfoundland & Labrador (-6.1%) registered the largest decreases in the number of units sold. Alberta (+2.4%) and Saskatchewan (+1.1%) were the only provinces to post any appreciable increase, while sales in Nova Scotia were nearly flat (+0.1%). *Data Source: Statistics Canada*

Report Room Revenues in the North Coast Development Region

Did you know...

As many as 75% of Canadians admit to being distracted while driving.

Data Source: Allstate Insurance Canada

- **Housing starts in British Columbia increased 8.3% (*seasonally adjusted*) in September.** Total starts in urban centres[1] rose 6.4% due to a sharp increase (+13.8%) in the number of multiple-unit residences, which offset a slowdown (-6.7%) in the number of single-family detached homes. Vancouver posted a 12.4% jump in the number of new starts, entirely due to a surge in the number of multiple-unit projects. Other urban areas registered a more moderate increase in housing starts (+5.0%). In rural BC, starts were up considerably (+25.9%).

  Nationally, housing starts slipped 1.5% lower in September, which was entirely due to an 8.1% decline in the number of new single-family detached homes built. Starts of multiple-unit residences were flat.

  Data Source: Canada Mortgage and Housing Corporation

- **Compared to the same month last year, Multiple Listing Service® (MLS®) sales of existing homes in British Columbia dropped 35.7% in September.** Average prices for MLS-listed homes, however, continued to rise (+4.1%) in the province.

  Data Source: British Columbia Real Estate Association

- **In August, 663 individual British Columbians were declared bankrupt, a drop of 20.3% from the same month last year.** There were 23 business bankruptcies in BC, a 4.2% decline compared to August 2009. Nationally, consumer bankruptcies were down 25.4%, while the number of businesses that were declared bankrupt fell 21.9% compared to last year.

  Data Source: Industry Canada

Foreign Credential Recognition

- **Among all newcomers to Canada between 2000 and 2001, just over one-quarter (28%) received recognition for their education credentials from an employer or institution within four years of landing.** Those that landed in Canada as principle applicants under the 'skilled worker' category were roughly twice a likely (38%) to have their credentials recognized than those who entered Canada under different application categories such as family class (19%) or refugee (11%). Gaining acceptance of foreign-earned educational credentials heavily favoured those who had arranged employment for themselves prior to becoming a landed immigrant (51%) compared to those who did not pre-arrange for employment (26%).

  Men (33%) were more likely than women (22%) to have had their foreign-earned credentials recognized. Those who immigrated from either the United States (51%) or the United Kingdom (43%) were most likely to be successful in having their education accepted, while those from South Korea (10%), Philippines (17%) and France (24%) were among the least likely to have their credentials recognized by an employer or institution four years after landing. Being a member of a visible minority did not appear to be related to the rate of credential acceptance.

  Among the provinces, rates of credential acceptance varied considerably. Those landed immigrants who resided in Atlantic Canada were the most likely (49%) to have their foreign-earned credentials accepted after four years in the country. Among the least likely to have had their education credentials recognized were those who resided in either Alberta (23%) or British Columbia and the territories (19%). *Data Source: SC Cat. no 75-001-X*

The Nation

- **During the 2010/2011 fiscal year, the federal government is expected to spend $7.4 billion on research and development on science and technology.** Related scientific activities, such as gathering, processing and analyzing data and educational support are expected to receive an additional $4.3 billion.

  Data Source: SC Cat. no 88-204-X

[1] Urban centres with populations of 10,000 and over.

For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

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originally published in
Tourism Sector Monitor, Issue 10-09

Room Revenues in the North Coast Development Region

Introduction

Forming part of British Columbia's northern reaches, North Coast Development Region is among the most sparsely populated, accounting for roughly 12% of the province's area, but just 1% of its population.

Source: BC Stats

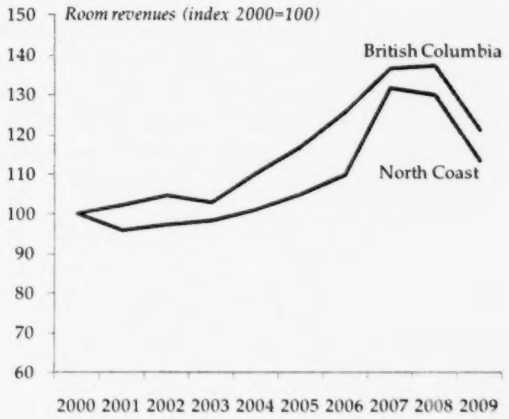
North Coast consists of two regional districts, Kitimat-Stikine and Skeena-Queen Charlotte. These two vast and diverse regions draw visitors to the area with a variety of outdoor and nature-based activities including guided fishing tours, camping, diving and whale-watching. Travellers interested in the region's cultural attractions can also explore First Nations ceremonies, art and history. Many towns and villages settled by Europeans celebrate the area's role as an important staging ground for prospectors during the country's gold-rushes.

Room revenues

British Columbia's accommodation industry slumped heavily in the wake of the recent economic recession and North Coast was among those hardest hit. In 2009, room revenues earned in North Coast tumbled 12.8%, slightly lower than the revenue drop experienced province-wide (-11.9%).

In general, growth of room revenues in North Coast has underperformed the province as a whole. While regional neighbours, Nechako (+24.6%) and Vancouver Island/Coast (+26.7%) have posted increases in room revenues of roughly one quarter between 2000 and 2009, North Coast has only seen growth of half that rate (+13.6%). However, stronger revenues (+10.0%, seasonally adjusted) registered during the first quarter of 2010 indicate that recovery of the accommodation industry is underway.

Over the past decade, room revenue growth in North Coast has been slow compared to the provincial average

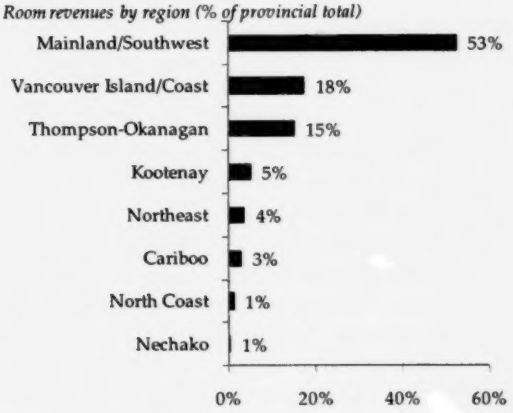


Source: BC Stats

Proportional with its small population base and distance from economic and cultural centres in the south of the province, North Coast's share of total provincial room revenues is small. In 2009, North Coast was responsible for just 1% of BC's total room revenues making it one of the smallest contributors of the province's eight development regions, only marginally (< 1 percentage point) higher than the share generated by Ne-

chako. North Coast's share of provincial room revenues has remained virtually unchanged during the period 2000 to 2009.

North Coast was BC's second smallest regional contributor in 2009



Source: BC Stats

Accommodation types

In 2009, there were 105 accommodation properties in North Coast, a number that has remained unchanged since 2007. Between 2000 and 2009, the number of properties in North Coast has risen 12.9%.

North Coast's reputation as a premiere fishing destination is reflected in the number of fishing lodges operating in the region. In 2009, just under one-in-five (18%) accommodation properties in North Coast were fishing lodges, which generated an equivalent share (18%) of the region's room revenues. Province-wide, fishing lodges only account for 10% of total properties and just 4% of total revenues.

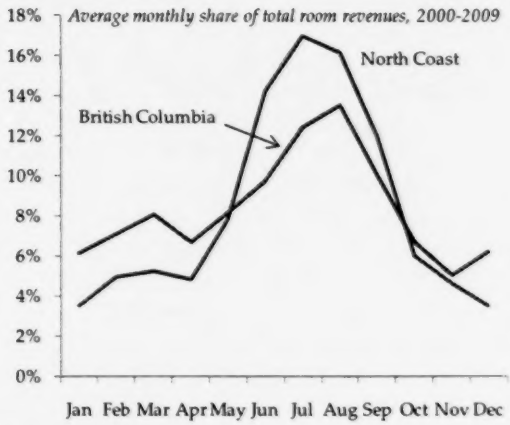
Other significant sources of revenues earned in North Coast included motels and small hotels (1-75 rooms).

Seasonal pattern

Most regions in British Columbia have a "regular" seasonal ebb and flow to their business. Revenues are low in the spring, peak in the summer, wane in the fall and then experience a slight increase during the winter months. Compared to the rest of the province, the seasonal pattern in North Coast is much more exaggerated with stronger peaks and valleys.

Between 2000 and 2009, the winter months (December, January and February) accounted for just one eighth (12%) of all revenues recorded in North Coast. However, the "summer season" (June to August) accounted for a whopping 47% of total revenues earned in the region. On a provincial level, the seasonal swings are much less extreme. The "summer season" brings roughly one third of BC's revenues (36%), while the winter period yields just one fifth (20%) of total annual receipts.

Summer in North Coast accounts for a larger share of revenues earned compared to the provincial average



Source: BC Stats

The reasons for the large swings from season to season in North Coast are many, but are likely related to the types of services offered to tourists in that region. While North Coast is not without winter-based activities, the region's main draws,

eco-tourism, camping and fishing are activities most often enjoyed during warmer times of the year. Severe weather conditions during the winter can also limit accessibility making travel to the area either by car or ferry difficult. In the rest of the province, particularly in the south, winter activities such as skiing are more well-known and easily accessed from urban areas with milder climates allowing for a larger share of total business to be conducted during the winter months.

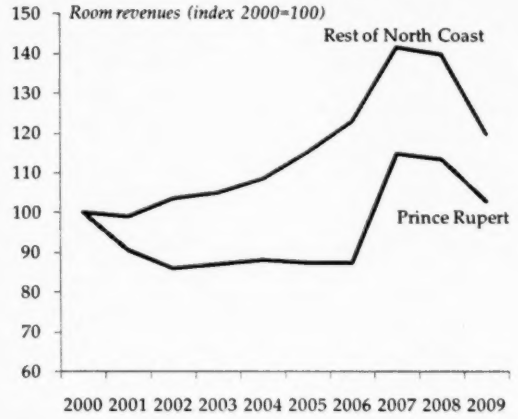
Urban centres

In 2009, more than half of room revenues generated in North Coast were earned in just two urban centres: Prince Rupert (33%) and Terrace (18%).

Situated at the intersection of both highways and railways in the region, Terrace had recorded strong room revenue growth in recent years. Between 2005 and 2008, room revenues in Terrace jumped 26.8% before succumbing to the pressure of the generally poor economic conditions present in 2009 when revenues slid back 8.2%[1].

Prince Rupert is considered a gateway to Northern Vancouver Island, the Queen Charlotte Islands and Alaska. In recent years, however, it has experienced somewhat of a slowdown in room revenues. During the opening years of the decade, room revenues in Prince Rupert slumped, dropping 9.4% in 2001 and another 4.8% in 2002. From 2003 to 2006, room revenues stagnated, inching ahead less than 1% during that time. However, 2007 brought a surge in room revenues to Prince Rupert (+31.0%), an increase that may, at least partially, be related to the expansion of port facilities in the city. Since 2007 though, not unlike other cities in British Columbia, Prince Rupert has experienced a sharp drop in revenues in the wake of the economic downturn.

Since 2000, room revenue growth in Prince Rupert has underperformed compared to the rest of the North Coast development region



Source: BC Stats

On March 22, 2006, the BC Ferries vessel Queen of the North ran aground and sank resulting in the presumed death of two passengers. While the sinking was a tragedy, the aftermath of the event on tourism does not appear to have been as disastrous as it might have been. BC Ferries replaced the ferry quickly and, during the interim, chartered flights for those who were already pre-booked to travel via the Queen of the North. In terms of timing, the sinking occurred during the spring, a slower time of the year. Of course, while some communities are linked to the rest of the province solely via ferry service, Highway 16 was able to serve those looking to travel to the region.

Conclusion

North Coast's role in the province's accommodation industry has always been a small one relative to many other regions of the province. However, the region has embraced tourism, specializing in eco-tourism, cultural exploration and world-famous fishing.

Unfortunately, while the trend in North Coast's room revenues over the last decade was mod-

[1] In order to adhere to confidentiality requirements, 2005 is the first year for which data is available for Terrace.

erately positive, recent economic difficulties have put the brakes on room revenue growth in the region. However, if the increase in room revenues posted during the first quarter of 2010 is any indication, recovery may already be underway.

Infoline

October 15, 2010
Issue 10–41

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BC at a glance . . .

POPULATION (thousands)	Jul 1/2010	% change on one year ago
BC	4,531.0	1.6
Canada	34,108.8	1.2
GDP and INCOME (Revised Nov 9)		
(BC - at market prices)	2008	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	197,931	3.3
GDP *($ 2002 millions)*	164,520	0.0
GDP *($ 2002 per Capita) (reflects revised pop)*	37,529	-1.7
Personal Disposable Income *($ 2002 per Capita)*	25,931	3.2
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Aug 2010	2,975	-0.1
Merchandise Exports - Aug 2010	2,298	-3.6
Retail Sales - Jul 2010	4,786	-0.4
CONSUMER PRICE INDEX	% change on	12-month avg
(all items - Aug 2010)	one year ago	% change
BC	1.5	0.6
Vancouver	1.8	0.9
Victoria	1.2	0.3
Canada	1.7	1.2
LABOUR FORCE (thousands)		
(seasonally adjusted)	Sep 2010	% change on prev. month
Jobs Created (-Lost) - BC	-0.3	
Labour Force - BC	2,508.2	0.2
Employed - BC	2,320.3	0.0
Unemployed - BC	187.9	3.5
		Aug 2010
Unemployment Rate - BC *(percent)*	7.5	7.3
Unemployment Rate - Canada *(percent)*	8.0	8.1
INTEREST RATES (percent)	Oct 13/2010	Oct 14/2009
Prime Business Rate	3.00	2.25
Conventional Mortgages - 1 year	3.30	3.80
- 5 year	5.29	5.84
US-CANADA EXCHANGE RATE	Oct 13/2010	Oct 14/2009
(avg. noon spot rate) Cdn $ per US $	1.0030	1.0292
(closing rate) US $ per Cdn $	0.9952	0.9748
AVERAGE WEEKLY WAGE RATE		
(industrial aggregate - dollars)	Sep 2010	% change on one year ago
BC	836.70	3.2
Canada	829.66	2.0

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

Academic Journal Reviews Impact on Census

The publication of the schedule of questions for the 2011 Census on June 26, 2010 in the *Canada Gazette* was the first public appearance of plans by the Federal Government to fundamentally alter the basis of the questionnaire that is the bedrock of dozens of other high profile surveys such as the Labour Force Survey and the Consumer Price Index. Much has appeared in the press and other media stating both sides of the argument. The University of Toronto Press has contributed a series of articles in the journal *Canadian Public Policy* to bring sound academic argument to lay the foundation of fact on which to base further discussion of the policy decision by the Federal Government.

www.bcstats.gov.bc.ca/census.asp#C2011

Open Data extends to Trade Profiles and Quarterly Regional Statistics

This completes the initial phase of a project to offer Excel/CSV equivalents for files previously available only in PDF format. The files are available through our Area Profiles page.

www.bcstats.gov.bc.ca/data/dd/profiles.asp

Labour Force Participation Rate Projections

The model uses an entry-exit rate methodology to project age/sex-specific participation rates by age cohort—i.e., people of the same generation—for the period 2010–2036. This approach, which was pioneered by the Organization for Economic Co-operation and Development, takes into account the wide differences in participation among cohorts and generates projections that are more plausible than the alternative age group extrapolation approach.

www.bcstats.gov.bc.ca/data/lss/labour.asp#pubs

Released this week by BC Stats

- Business Indicators, September 2010
- Exports, August 2010

Next week

- Consumer Price Index, September 2010

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